

AMENDED IN ASSEMBLY JUNE 2, 2003
AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 939

Introduced by Assembly Member Yee

February 20, 2003

An act to add Section 5781 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 939, as amended, Yee. Psychiatric inpatient hospital services: reimbursement.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law requires the State Department of Mental Health to implement managed mental health care for Medi-Cal beneficiaries through fee-for-service or capitated rate contracts with mental health plans, including individual counties, counties acting jointly, any qualified individual or organization, or a nongovernmental entity. Existing law authorizes counties to contract with mental health providers to provide mental health services to Medi-Cal beneficiaries.

Existing regulations establish reimbursement procedures for the reimbursement of acute psychiatric inpatient hospital services for each fee-for-service Medi-Cal hospital with a contract with a mental health provider, and for the reimbursement of those services for each of these hospitals without one of these contracts.

This bill would provide that Medi-Cal reimbursement for a psychiatrist who has admitting privileges at a hospital that has a Medi-Cal fee-for-service contract and that offers inpatient hospital professional services based on a contract with any mental health plan shall be ~~calculated on a per diem rate~~ established through negotiations between the psychiatrist and the mental health plan in the county in which the psychiatrist has these admitting privileges, *and may not exceed the allowable amount under Medicare for comparable services*. This bill would also provide that the psychiatrist may authorize the hospital to negotiate a contract with a mental health plan on the psychiatrist's behalf.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5781 is added to the Welfare and
2 Institutions Code, to read:
3 5781. (a) Medi-Cal reimbursement for a psychiatrist who has
4 admitting privileges at a hospital that has a Medi-Cal
5 fee-for-service contract and that offers inpatient hospital
6 professional services based on a contract with any mental health
7 plan shall be ~~calculated on a per diem rate~~ established through
8 negotiations between the psychiatrist and the mental health plan in
9 the county in which the psychiatrist has these admitting privileges.
10 *This reimbursement may not exceed the allowable amount under*
11 *Medicare for comparable services.*
12 (b) Notwithstanding subdivision (a), a psychiatrist may allow
13 ~~the~~ a hospital described in subdivision (a) to negotiate a contract
14 on the psychiatrist's behalf with the mental health plan in the
15 county in which the hospital is located.
16 (c) If signed by the hospital and the mental health plan in the
17 county in which the hospital is located, the contract negotiated
18 pursuant to subdivision (b) shall be a valid contract for purposes
19 of Medi-Cal reimbursement for psychiatric inpatient hospital
20 professional services for all other mental health plans if the
21 contract, at a minimum, meets the federal contracting
22 requirements as provided in Section 434.6 of Title 42 of the Code
23 of Federal Regulations and includes the provisions outlined in
24 Section 1810.436 of Title 9 of the California Code of Regulations.



1 (d) For purposes of this section, the following definitions
2 apply:

3 (1) “Hospital” means a hospital that submits reimbursement
4 claims for Medi-Cal psychiatric inpatient hospital services
5 through the Medi-Cal fiscal intermediary.

6 (2) “Psychiatric inpatient hospital professional services”
7 means specialty mental health services provided to a Medi-Cal
8 beneficiary by a licensed psychiatrist with hospital admitting
9 privileges while the beneficiary is in a psychiatric inpatient
10 hospital.

